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# MEDICAID MEMO

**TO:** All Prescribing Providers, Pharmacists, and Managed Care Organizations (MCOs) Participating in the Virginia Medical Assistance Program

**FROM:** Cynthia B. Jones, Director  
Department of Medical Assistance Services (DMAS)

**MEMO:** Special

**DATE:** 6/5/2014

**SUBJECT:** Virginia Medicaid Preferred Drug List (PDL) Program Changes, Drug Utilization Review (DUR) Board Approved Drug Service Authorization (SA) Requirements – *Effective July 1, 2014*; DUR Service Authorization Requirements for Antipsychotics and DMAS' Policy on Submission of 340B Pharmacy Claims

The purpose of this memorandum is to inform providers about changes to Virginia Medicaid's fee-for-service Preferred Drug List (PDL) Program that will be effective on July 1, 2014 and new drug service authorization (SA) requirements approved by DMAS' DUR Board. Also included is DMAS' policy on submission of pharmacy claims filled with drugs purchased through the 340B program.

## **Preferred Drug List (PDL) Updates – Effective July 1, 2014**

The PDL is a list of preferred drugs, by select therapeutic class, for which the Medicaid fee-for-service program allows payment without requiring service authorization (SA). In designated classes, drug products classified as non-preferred will be subject to SA. In some instances, other additional clinical criteria may apply to a respective drug class which could result in the need for a SA.

The PDL program aims to provide clinically effective and safe drugs to its members in a cost-effective manner. Your continued compliance and support of this program is critical to its success. The PDL is effective for the Medicaid, FAMIS, and FAMIS Plus fee-for-service populations. The Virginia Medicaid PDL **does not** apply to members enrolled in a Managed Care Organization.

The DMAS Pharmacy and Therapeutics (P&T) Committee conducted its annual review of the PDL Phase II drug classes on April 24, 2014 and approved the following **changes** to Virginia Medicaid's PDL:

Drug Class	Preferred	Non-Preferred (requires SA)
Acne Agents, Topical	benzoyl peroxide 10% cream, benzoyl peroxide lotion & gel (OTC), Panoxyl-4 Acne Wash, benzoyl peroxide 5% & 10% wash (OTC).	Persa-gel, Acne clearing system; benzoyl peroxide gel (Rx), benzoyl peroxide 6% cleanser OTC, benzoyl peroxide cleanser (Rx)
Acne Agents, Topical Retinoids		tretinoin microsphere gel and gel pump

Drug Class	Preferred	Non-Preferred (requires SA)
Analgesics/Short Acting		meperidine tablet, codeine, hydromorphone liquid and suppositories, butalbital compound w/codeine; pentazocine/naloxone; butorpanol tartrate nasal; dihydrocodeine/ASA/caffeine
Analgesics – NSAIDs	ibuprofen OTC, Children's Motrin® OTC suspension; Infant's Motrin® Drops OTC	Midol® OTC, ketorolac, diclofenac potassium, etodolac, ketoprofen, meloxicam tab
Antimigraine Agents	rizatriptan tablet	
Bone Resorption Suppression / Calcitonins	Fortical® (nasal)	Miacalcin® (nasal)
Hypoglycemics - Biguanide combinations		metformin ER
Hypoglycemics - Insulins		Novolin® 70/30 vial, Novolin® N vial, Novolin® R vial
Hypoglycemics - Thiazolidinediones		Avandamet®, Avandia®, Avandaryl®
Leukotriene Receptor Antagonists	montelukast granules	Singulair® Granules
Macrolide/Ketolides		Eryped® 200 suspension
Multiple Sclerosis Agents	Extavia® kit and vial	Betaseron® Kit
NMDA Receptor Antagonist	Namenda XR™ once Namenda® IR tablets are no longer available	
Opioid Dependency – Buprenorphine Products	naltrexone	Zubsolv™
Progestational Agents		Provera®

The P&T Committee approved clinical edits for the following drugs classes or drugs: Long Acting Analgesics, Narcotic Lozenges, Oral Hypoglycemics - Sodium Glucose Co-Transporter 2 Inhibitors (SGLT2), naltrexone, Noxafil®, Sovaldi® and Olysio®. Please refer to the Preferred Drug List for the complete clinical edit criteria for each drug. This list can be accessed at [www.virginiamedicaidpharmacyservices.com/](http://www.virginiamedicaidpharmacyservices.com/).

Virginia's PDL can be found at [http://www.dmas.virginia.gov/Content\\_pgs/pharm-pdl.aspx](http://www.dmas.virginia.gov/Content_pgs/pharm-pdl.aspx) or <https://www.virginiamedicaidpharmacyservices.com/>. In addition a copy of the PDL can be obtained by contacting the Magellan Clinical Call Center at 1-800-932-6648. Additional information and Provider Manual updates will be posted as necessary. Comments and questions regarding this program may be emailed to [pdlinput@dmas.virginia.gov](mailto:pdlinput@dmas.virginia.gov).

### **PDL Service Authorization (SA) Process**

A message indicating that a drug requires a SA will be displayed at the point of sale (POS) when a prescription for a non-preferred drug is entered at point-of-sale (POS). Pharmacists should contact the member's prescribing provider to request that they initiate the SA process. Prescribers can initiate SA requests by letter, faxing to 1-800-932-6651, contacting the Magellan Clinical Call Center at 1-800-932-6648 (available 24 hours a day, seven days a week), or by using the web-based service authorization process (Web SA). Faxed and mailed SA requests will receive a response within 24 hours of receipt. SA requests can be mailed to:

Magellan Medicaid Administration  
ATTN: MAP Department/ VA Medicaid  
11013 W. Broad Street, Suite 500  
Glen Allen, Virginia 23060

Service authorizations forms are available online at [www.virginiamedicaidpharmacyservices.com](http://www.virginiamedicaidpharmacyservices.com). The PDL criteria for SA purposes are also available on the same website.

### **PDL 72-Hour-Supply Processing Policy and Dispensing Fee Process**

The PDL program provides a process where the pharmacist may dispense a 72-hour supply of a non-preferred, prescribed medication if the prescriber is not available to consult with the pharmacist (after-hours, weekends, or holidays), **AND** the pharmacist, in his/her professional judgment, consistent with current standards of practice, feels that the patient's health would be compromised without the benefit of the drug. A phone call by the pharmacy provider to Magellan Medicaid Administration at 1-800-932-6648 (available 24 hours a day, seven days a week) is required for processing a 72-hour supply. The member will be charged a co-payment applicable for this 72-hour supply (partial fill). However, a co-payment will not be charged for the completion fill. The prescription must be processed as a "partial" fill and then a "completion" fill. For unit-of-use drugs (i.e., inhalers, drops, etc.), the entire unit should be dispensed and appropriate action taken to prevent similar situations in the future.

Pharmacy providers are entitled to an additional \$3.75 dispensing fee when filling the completion of a 72-hour-supply prescription for a non-preferred drug. To receive the additional dispensing fee, the pharmacist must submit the 72-hour supply as a partial fill and, when submitting the claim for the completion fill, enter "03" in the "Level of Service" (data element 418-DI) field. The additional dispensing fee is only available (one time per prescription) to the pharmacist after dispensing the completion fill of a non-preferred drug when a partial (72-hour supply) prescription was previously filled.

### **Mobile Device Download for PDL**

There are two ways to download the PDL to mobile devices. There is a link on the DMAS website ([http://www.dmas.virginia.gov/Content\\_atchs/pharm/pharm-pdl\\_dwnld.pdf](http://www.dmas.virginia.gov/Content_atchs/pharm/pharm-pdl_dwnld.pdf)) which enables providers to download the PDL to their mobile device. This page will have complete directions for the download and HotSync operations.

ePocrates® users may also access Virginia Medicaid's PDL through the ePocrates® formulary link at [www.epocrates.com](http://www.epocrates.com). ePocrates® is a leading drug information software application for handheld computers (PDAs) and desktop computers. For more information and product registration, please visit the ePocrates® website at [www.epocrates.com](http://www.epocrates.com). To download the Virginia Medicaid PDL via the ePocrates® website to your mobile device, please follow these steps:

1. Ensure that you have the most recent version of ePocrates Rx® installed on your mobile device.
2. Connect to the Internet and go to [www.epocrates.com](http://www.epocrates.com).
3. Click the "Add Formularies" link at the top of the page.
4. Log in to the website using your user name and password.
5. Select "Virginia" from the "Select State" menu.
6. Select "Virginia Medicaid-PDL" under "Available Formularies."
7. Click on "Add to My List" and then click on "Done."
8. Auto Update your mobile device to install the "Virginia Medicaid-PDL" to your mobile device.

### **DMAS Drug Utilization Review Board Activities**

The DMAS Drug Utilization Review Board (DUR Board) met on January 30, March 21 and May 22, 2014 and approved service authorization (SA) criteria for the following drugs based on FDA approved labeling.

- Imbruvica<sup>™</sup> (ibrutinib)
- Luzu<sup>®</sup> (luliconiazole)
- Gilotrif<sup>™</sup> (afatinib)
- Mirvaso<sup>®</sup> (brimonidine)
- Otrexup<sup>™</sup> (methotrexate)
- Valchlor<sup>™</sup> (mechlorethamine)

Also effective July 1, 2014, the Department of Medical Assistance Services (DMAS) will require specific clinical criteria for atypical and typical antipsychotics prescribed to new members ages six (6) to twelve (12) who are enrolled in the fee-for-service Virginia Medicaid program. Currently, DMAS requires a SA for these medications prescribed to children under the age of six (6). The SA criteria the drugs for members under the age of thirteen (13) are as follows:

- 1) The drug must be prescribed by a psychiatrist or neurologist or the prescriber must supply proof of a psychiatric consultation AND,
- 2) the member must have an appropriate diagnosis, as indicated on the attached SA form AND,
- 3) the member must be participating in a behavioral management program AND,
- 4) written, informed consent for the medication must be obtained from the parent or guardian.

SAs will be given for six (6) months, after which a new SA will need to be obtained. If the SA criteria listed above are not met, a thirty (30) day emergency fill will be allowed and the SA request will be reviewed by a board certified Child and Adolescent Psychiatrist contracted through Magellan Health Services. Failure to complete the SA process and meet the clinical criteria during this thirty (30) day period will result in the denial of subsequent pharmacy claims for the drug. Service authorization does not guarantee payment for the drug; payment is contingent upon passing all edits contained within the claims payment process, the individual's continued Medicaid eligibility, the provider's continued Medicaid eligibility, and the ongoing medical necessity for the drug.

The DMAS staff and the DMAS contracted consulting Psychiatrist will work closely with the prescribing provider to ensure that the member has access to behavioral management and psychiatric consultation services during the review period. Members ages six (6) through twelve (12) who are currently being treated with antipsychotics will receive a six month "grandfather" SA if they have a medical diagnosis for which the antipsychotic has been FDA approved. Cases where a member does not have a documented diagnosis will be evaluated by the consulting psychiatrist who will determine if a six month SA is warranted.

If you have any questions or concerns about this SA process, please contact Magellan Health Services at 800-932-6648.

### **Pharmacies Participating in the 340B Program**

Pharmacies participating in the 340B program established by Section 340B of the Public Health Services Act must notify DMAS regarding their participation. Said participants must also be listed on the HRSA website, [www.hrsa.gov/opa/](http://www.hrsa.gov/opa/). Drugs with discounts generated from participation in this program are not eligible for federal drug rebates and pharmacy claims from 340B providers are not submitted to manufacturers for drug rebates. Pharmacies dispensing drugs purchased under the 340B program must submit **actual acquisition cost (AAC)** for a drug product and will be reimbursed AAC plus a dispensing fee where applicable. 340B entities/providers who are enrolled with DMAS as a provider type other than pharmacy shall charge DMAS no more than their actual acquisition cost for the drug.

### **NCPDP Prescription Claims Processing 340B Identifier**

Effective July 27, 2014, pharmacy providers submitting claims through the point-of-sale (POS) for drugs purchased through the 340B program must identify the drug as a 340B purchased drug by populating the Submission Clarification Code (42Ø-DK) field with a value of “20” **and** the Basis of Cost Determination (42Ø-DN) field with a value of “08”. In addition, the pharmacy must submit a “usual and customary” (U&C) amount for the drug claim. The following NCPDP denial edits and/or Virginia Medicaid edits may be posted if the claim is not submitted correctly:

- **8R = Submission Clarification Code Not Supported.** (DMAS edit = 1621) The billing provider is not enrolled with Virginia Medicaid as a 340B entity.
- **34 = M/I Submission Clarification Code.** (DMAS edit = 1620)
- **DN = M/I Basis of Cost Determination.** (DMAS edits = 1238, 1620 or 1622)
- **DQ = M/I Usual and Customary Charge.** (DMAS edit = 1623). The submitted U&C is greater than the Virginia Medicaid allowed amount and Submission Clarification Code = 20 and Basis of Cost = 8, the claim will deny. NOTE: Claims will continue to deny if the U&C missing or invalid for existing DMAS edit = 0014.

**Contract pharmacies may not submit claims to DMAS for drugs purchased through a 340B program. A 340B contract pharmacy MUST carve out Virginia Medicaid pharmacy claims from its 340B operation.**

### **DMAS Contact Information for Participating Pharmacies**

<b>Provider Information</b>	<b>Telephone Number(s)</b>	<b>Information Provided</b>
Pharmacy Call Center	1-800-774-8481	Pharmacy claims processing questions, including transmission errors, claims reversals, etc., the generic drug program, problems associated with generic drugs priced as brand drugs, obsolete date issues, determination if drug is eligible for Federal rebate
Preferred Drug List (PDL) & Service Authorization Call Center	1-800-932-6648	Questions regarding the PDL program, service authorization requests for non-preferred drugs, service authorization requests for drugs subject to prospective DUR edits
Maximum Allowable Cost (MAC) and Specialty Maximum Allowable Cost (SMAC) Call Center	1-866-312-8467	Billing disputes and general information regarding multi-source drugs subject to the MAC program, and billing disputes and general information related specialty drugs subject to the SMAC Program
Provider Helpline	1-800-552-8627 In state long distance 1-804-786-6273	All other questions concerning general Medicaid policies and procedures
MediCall	1-800-884-9730 or 1-800-772-9996	Automated Voice Response System for Verifying Medicaid Eligibility
<b>Provider Information</b>	<b>Telephone Number(s)</b>	<b>Information Provided</b>
Medicaid Managed Care Organization (MCO) Information	Anthem 1-800-901-0020 CareNet 1-800-279-1878 Kaiser 1- 855-249-5025 INTotal 1-855-323-5588 Majesticare 1-866-996-9140 Optima 1-800-881-2166 VA Premier 1-800-828-7989	Questions relating to Medicaid members enrolled in Medicaid Managed Care Plans

#### **COMMONWEALTH COORDINATED CARE**

Commonwealth Coordinated Care (CCC) is a new initiative to coordinate care for individuals who are currently served by both Medicare and Medicaid and meet certain eligibility requirements. Please visit the website at [http://www.dmas.virginia.gov/Content\\_pgs/altc-home.aspx](http://www.dmas.virginia.gov/Content_pgs/altc-home.aspx) to learn more.

#### **MANAGED CARE ORGANIZATIONS**

Many Medicaid recipients are enrolled with one of the Department's contracted Managed Care Organizations (MCO). In order to be reimbursed for services provided to an MCO enrolled individual, providers must follow their respective contract with the MCO. The MCO may utilize different prior authorization, billing, and reimbursement guidelines than those described for Medicaid fee-for-service individuals. For more information, please contact the MCO directly. Additional information about the Medicaid MCO program can be found at [http://www.dmas.virginia.gov/Content\\_pgs/mc-home.aspx](http://www.dmas.virginia.gov/Content_pgs/mc-home.aspx).

#### **VIRGINIA MEDICAID WEB PORTAL**

DMAS offers a web-based Internet option to access information regarding Medicaid or FAMIS member eligibility, claims status, check status, service limits, service authorizations, and electronic copies of remittance advices. Providers must register through the Virginia Medicaid Web Portal in order to access this information. The Virginia Medicaid Web Portal can be accessed by going to: [www.virginiamedicaid.dmas.virginia.gov](http://www.virginiamedicaid.dmas.virginia.gov). If you have any questions regarding the Virginia Medicaid Web Portal, please contact the Xerox State Healthcare Web Portal Support Helpdesk, toll free, at 1-866-352-0496 from 8:00 a.m. to 5:00 p.m. Monday through Friday, except holidays. The MediCall audio response system provides similar information and can be accessed by calling 1-800-884-9730 or 1-800-772-9996. Both options are available at no cost to the provider. Providers may also access service authorization information including status via KEPRO's Provider Portal at <http://dmas.kepro.com>.

#### **"HELPLINE"**

The "HELPLINE" is available to answer questions Monday through Friday from 8:00 a.m. to 5:00 p.m., except on holidays. The "HELPLINE" numbers are:

1-804-786-6273 Richmond area and out-of-state long distance  
1-800-552-8627 All other areas (in-state, toll-free long distance)

Please remember that the "HELPLINE" is for provider use only. Please have your Medicaid Provider Identification Number available when you call.